

News from the Illinois Commerce Commission

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ICC Approves Plan to Phase-in Ameren Rate Hikes

In an effort to help soften the impact of next month's electricity rate hikes, the Illinois Commerce Commission today approved a rate stabilization program for Ameren's Illinois customers.

"What the Commission has done today will allow customers the opportunity to choose a 'soft landing' regarding the upcoming rate increases," said ICC Chairman Charles Box. "This low-interest option also will provide some much-needed funding for low-income customers, seniors, and other innovative conservation and renewable energy programs."

Enrollment in the program will allow most Ameren customers the option to reduce their increase to a maximum of 14 percent for each of the next three years (2007-2009) and defer the additional amount to a three-year repayment period beginning in 2010.

Ninety percent of Ameren's electricity customers will qualify for the rate stabilization program.

The voluntary program, "Enhanced Customer Elect Plan," offers a below-market interest rate of 3.25 percent on the amounts deferred.

The Commission accepted Ameren's revised rate stabilization plan because it significantly enhanced the proposal the company had made earlier this year. The new program expanded eligibility for plan participation from residential customers to also include small commercial, primary and secondary schools and selected local governmental units (e.g. municipalities).

Additionally, the new plan reduces the cap on the rate increases from 15 percent to 14 percent per year for 2007, 2008, and 2009. The carrying charges for the deferred balances were cut in half, from 6.5 to 3.25 percent, thereby making it an attractive program for many customers. Additionally, Ameren pledged to contribute \$15 million to energy assistance programs for low-income and elderly customers, conservation, efficiency and renewable energy initiatives, and stated that it would not seek to recover those contributions through future rates.

Customers can enroll in the program until Aug. 22, 2007, however, deferrals are retroactive to Jan. 2 for those who enroll by April 10. Customers will receive more information in bill inserts in the coming months.

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